

AMENDED IN SENATE JULY 15, 2010

AMENDED IN SENATE SEPTEMBER 4, 2009

AMENDED IN ASSEMBLY MAY 12, 2009

CALIFORNIA LEGISLATURE—2009–10 REGULAR SESSION

ASSEMBLY BILL

No. 1215

Introduced by Assembly Member De La Torre

February 27, 2009

An act to add Sections 19852.2~~and~~, 19852.3, *and* 19852.4 to the Government Code, relating to public employment.

LEGISLATIVE COUNSEL'S DIGEST

AB 1215, as amended, De La Torre. Public employment: furloughs.

Existing law authorizes the Governor to require that the 40-hour workweek be worked in 4 days in any state agency or part thereof when the Governor determines that the best interests of the state would be served thereby. Existing law vests the Department of Personnel Administration with the duties and responsibilities exercised by the State Personnel Board with respect to the administration of salaries, hours, and other personnel-related matters.

This bill would exempt employees in positions funded at least 95% by sources other than the General Fund, *employees of the Franchise Tax Board, and employees of the State Board of Equalization* from furloughs implemented by any state agencies, boards, and commissions. The bill would also prohibit a state agency, board, or commission from directly or indirectly implementing or assisting in implementing a furlough of those employees. The bill would define "employee" for the purpose of those provisions and would also specify that nothing in those provisions shall be construed as legal authorization for the imposition

of furloughs on employees through Executive order. The bill would also make related findings and declarations.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 19852.2 is added to the Government
2 Code, to read:

3 19852.2. The Legislature finds and declares all of the following:

4 (a) Executive Orders S-16-08 and S-13-09 imposed three unpaid
5 furlough days on state employees. These furloughs, instituted
6 outside the collective bargaining process, constitute an annual pay
7 cut of 14 percent. The imposition of involuntary furlough time on
8 state employees has resulted in tremendous hardship to employees
9 and their families.

10 (b) Although the Executive orders declare an emergency
11 pursuant to Section 3516.5 based upon the General Fund deficit,
12 the furloughs apply to virtually all state employees, without regard
13 to whether they are paid through the General Fund or whether the
14 furlough results in any state savings.

15 (c) Several dozen state agencies are user-funded or federally
16 funded. Furloughing the employees of these agencies creates no
17 General Fund savings and simply makes these agencies less
18 efficient.

19 (d) Not only do delays harm California's most vulnerable
20 residents but they also deprive the state of various sources of
21 federal funding, at a time when we must maximize all revenue
22 sources to improve our economy. A report by the Social Security
23 Administration's inspector general concluded that just two furlough
24 days would decrease California's capacity to process disability
25 claims by 10 percent, delaying 2,375 disability cases per month.
26 Currently the Department of Social Services, which administers
27 the program, is losing ten million dollars (\$10,000,000) per month
28 in federal funds.

29 (e) With the unemployment rate at a record high, furloughing
30 workers at the Employment Development Department and the
31 California Unemployment Insurance Appeals Board will only
32 make it harder for the unemployed to access benefits. It is estimated
33 that the wait time for an appeal to be heard will increase from

1 seven weeks to three months. These departments are federally
2 funded so the hardship inflicted will not result in any state savings.

3 (f) In addition to departments whose employees are not paid
4 from the General Fund, the furloughs extend even to those
5 departments that generate new revenue. The Franchise Tax Board
6 says the state will lose five hundred million dollars (\$500,000,000)
7 over the next three years because collections and audits will decline
8 due to employee furloughs. The Franchise Tax Board has already
9 seen a three hundred seventy-two million dollar (\$372,000,000)
10 reduction in income tax revenue for the fiscal year that ended June
11 30. These furloughs are actually exacerbating the General Fund
12 deficit they were intended to help reduce.

13 (g) California's budget deficit is a product of the national and
14 global economic downturn. Solutions to the budget crisis should
15 focus on improving the economy, rather than cutting the pay of
16 and decreasing consumer spending by California workers. The
17 Sacramento region is already losing five hundred million dollars
18 (\$500,000,000) to six hundred million dollars (\$600,000,000) a
19 month in worker wages, forcing many local businesses to lay off
20 workers or close their doors.

21 SEC. 2. Section 19852.3 is added to the Government Code, to
22 read:

23 19852.3. (a) Employees in positions funded at least 95 percent
24 by sources other than the General Fund shall be exempt from
25 furloughs implemented by any state agencies, boards, and
26 commissions.

27 (b) A state agency, board, or commission shall not directly or
28 indirectly implement or assist in implementing a furlough of an
29 employee when the position is funded at least 95 percent from
30 sources other than the General Fund.

31 (c) Nothing in this section shall be construed as legal
32 authorization for the imposition of furloughs on employees through
33 Executive order.

34 (d) For the purposes of this section, "employee" means a civil
35 service employee of the State of California. The "State of
36 California" as used in this section includes such state agencies,
37 boards, and commissions as may be designated by law that employ
38 civil service employees.

39 SEC. 3. Section 19852.4 is added to the Government Code, to
40 read:

1 19852.4. (a) *Employees of the Franchise Tax Board and the*
2 *State Board of Equalization shall be exempt from furloughs*
3 *implemented by any state agency, board, or commission.*

4 (b) *A state agency, board, or commission shall not directly or*
5 *indirectly implement or assist in implementing a furlough of an*
6 *employee of the Franchise Tax Board or the State Board of*
7 *Equalization.*

8 (c) *Nothing in this section shall be construed as legal*
9 *authorization for the imposition of furloughs on employees through*
10 *an Executive order.*

11 (d) *For the purposes of this section, “employee” means a civil*
12 *service employee of the State of California.*